

**Adjourned Regular Minutes
City Council/Redevelopment Agency
City of Huntington Beach**

Monday, December 12, 2005
6:00 P.M. - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

A videotape of the 6:00 p.m. portion of this
meeting is on file in the Office of the City Clerk.

Call to Order

Mayor Sullivan called the adjourned regular meetings of the City Council/Redevelopment Agency of the City of Huntington Beach to order at 6:00 p.m. in the Council Chambers.

City Council/Redevelopment Agency Meeting Roll Call

Present: Hansen, Coerper, Sullivan, Hardy, Green, Bohr, Cook
Absent: None

Pledge of Allegiance – Led by Councilmember Green

Invocation – Led by Reverend Peggy Price, Huntington Beach Interfaith Council

The City Clerk Announced a Late Communication

Pursuant to the Brown (Open Meetings) Act, City Clerk Joan L. Flynn announced a Late Communication regarding an agenda item that had been received by her office following distribution of the agenda packet:

Communication submitted by Jan D. Vandersloot, M.D. dated December 12, 2005 requesting Council consider applying the park fees required of the developer to go towards matching funds for the possible purchase of the Goodell property, which is adjacent to the Hearthside Brightwater property.

The Following Additional Late Communications Were Submitted During the Meeting:

Communication submitted by Dean Albright dated September 6, 1988 titled *City of Huntington Beach Water System Master Plan*.

Communication submitted by Deputy City Administrator Paul Emery dated December 12, 2005 titled *Late Communication Item F-1 December 12, 2005, PowerPoint and Amendment to Attachment 3*.

Public Comments

Dean Albright, affiliated with Huntington Beach Tomorrow, spoke regarding a document entitled the *City of Huntington Beach Water System Master Plan* dated September 16, 1988, which he said he had distributed to Council. He also referred to a Water Master Plan dated

December 2000 and a document from the Southern California Water Company regarding reservoirs and booster pump stations. He voiced concerns regarding Los Patos Street and emergency access to the area, and the sewer lines.

Mayor Pro Tem Coerper asked the previous speaker to contact Council Administrative Assistant Cathy Fikes to set an appointment to meet with him.

Grace Winchell concurred with the Staff Recommendation, asked Council why they are not considering park dedications or standard in-lieu fees and remediation, and why they are not asking for a greater amount of funding. She also asked Council to continue the item to a later date to adequately consider the timing of the decision.

Bob Winchell, speaking on behalf of Huntington Beach Tomorrow, commended Council for including the phrase in the Staff Report that requires lower bench dedication prior to pre-annexation with Signal Landmark. He commented that citizens have received thirty days to review these types of agreements in the past. He stated his opinion that the financial report is lacking. Mr. Winchell inquired if the City received a copy of any agreement detailing the cost for bringing a water line into the City, stating his opinion that the numbers are not consistent.

Eileen Murphy, resident, stated she would like the pre-annexation agreement to include a stipulation that annexation not go into effect until the lower bench is sold to the State. She also stated she is disappointed with the \$4 million agreement because it does not include six acres of land that still need saving.

Gerald Chapman, President of Bolsa Chica Land Trust, spoke regarding the efforts of the Land Trust and his support of pre-annexation with the following condition: that the motion includes execution of the pre-annexation agreement only after sale of the lower bench is final. He thanked staff for including language in the Recommended Action and wished Council Happy Holidays.

Flossie Horgan thanked the City and post 1991 Council for being supportive of the Land Trust vision. She asked for clarification on the Recommended Action.

Councilmember Hansen responded to Ms. Horgan, stating that the Recommended Action does include a stipulation to finalize pre-annexation after the lower bench is sold to the State.

Tim Geddes voiced his support for the annexation, but voiced concern with the amount of time the public has had to review the materials. He stated his interest in the resolution found in Attachment 5 of the Staff Report, and how it relates to his opposition of the Poseidon project.

Larry Porter, affiliated with Ocean Outfall Group (OOG), stated he is concerned with the short time frame given to Council to consider the pre-annexation agreement. He suggested Council continue the matter to a later date, and wished them a Merry Christmas.

(City Council) Mayor Pro Tem Coerper Thanked Various Organizations and Businesses for Support Efforts for the 3/1 Marine Battalion (120.20)

Mayor Pro Tem Gil Coerper thanked the Huntington Beach Municipal Employees Association (HBMEA) for collecting 146 boxes of care package items from their members to ship to the 3/1. He announced that the HBMEA would donate the funds necessary to pay for shipment of the items. He also recognized the Huntington Beach Police Officers Association (HBPOA), the Huntington Beach Auto Dealerships' Association, the Huntington Beach Rotary, the Hilton Waterfront Resort, Makar Properties, and others who donated to the 3/1 Committee.

(City Council) Councilmember Green Reported on 91 Toll Road Anniversary (120.85)

Councilmember Cathy Green reported on the Orange County Transportation Authority's (OCTA) announcement of the anniversary of the 91 toll lanes, and discounted fees on the anniversary date.

(City Council) – Approved as Amended to Increase Annexation Fee by \$1.5 Million – Pre-Annexation Agreement with Signal Landmark (Hearthside Homes), Adopted a Resolution Declaring Water Exists for Pre-Annexation Water Service and Adopted a Resolution Approving the Application to Local Agency Formation Commission (LAFCO) for an Out Of Service Area Agreement. (600.10)

The City Council considered a communication submitted by the Deputy City Administrator transmitting the following **Statement of Issue**: The proposed Pre-Annexation Agreement identifies the phasing of annexation of 349 single-family residential units and approximately 105.3 acres of land currently within unincorporated Orange County. The Pre-Annexation Agreement resolution declaring the availability of water for services prior to annexation and the resolution approving the application with LAFCO for an Out of Service Area Agreement will set the framework for annexation of the area into the City of Huntington Beach. Funding Source: The cost of the application for the Out Of Service Area Agreement (\$4,600) with LAFCO is scheduled for reimbursement through Pre-Annexation Agreement Section 3.6.1

City Administrator Penny Culbreth-Graft introduced Deputy City Administrator Paul Emery. Deputy Emery gave a PowerPoint report titled *Pre-Annexation Agreement with Hearthside Homes Brightwater Development*, which was announced earlier as a Late Communication. He clarified that the annexation fees negotiated and recommended by staff would take the place of library development, community enrichment, park space in-lieu, and traffic impact fees. He thanked staff for their efforts and announced LAFCO representatives and the developer were present at the meeting to answer any questions posed by Council.

Councilmember Hardy inquired about the \$4.2 million fee. Deputy City Administrator Emery reported, detailing the negotiations. Councilmember Hardy asked why sewer connection fees are higher post-annexation, and Deputy Emery reported on City fees versus fees charged by other agencies.

Councilmember Bohr inquired about the cost estimate for the reservoir. Deputy Public Works Director Dave Webb reported on 12-inch and 18-inch water line construction costs, and clarified that these costs are figured on a prevailing wage basis. Mayor Pro Tem Coerper asked about the differential between the \$13.9 million estimate and \$4 million Staff Recommendation. City Administrator Culbreth-Graft reported on indemnification and other costs incorporated in the recommendation.

Mayor Pro Tem Coerper further inquired about County inspection standards, public safety concerns, and County benefits if the City does not annex. City Administrator Culbreth-Graft stated the County could contract with the City for services. Police Chief Ken Small stated that the City would be most likely to respond to public safety calls in the area, and an agreement could be formed with the County. Fire Duane Chief Olson echoed the Police Chief's comments. Mayor Pro Tem Coerper asked what the lower bench includes geographically and Deputy City Administrator Emery reported, referring to a diagram that illustrated over 100 acres of land.

Councilmember Bohr inquired regarding page F-1.94 of the Staff Report, costs associated for police services and a future fire station. He asked if the numbers are current and if the site of the station has been determined. Fire Chief Olson reported a possible relocation of the Heil Avenue Fire Station, and that the numbers listed in the report are current. Councilmember Bohr asked for clarification of the Recommended Action prior to a vote.

Councilmember Cook inquired if the land where the reservoir would have been constructed would become greenbelt, or if it would be added to private property. Ed Mountford, developer with Hearthside Homes, reported that the area would remain open space. Councilmember Cook inquired about the use of the Signal Landmark name. Mr. Mountford reported on the business connection between the landowner and the developer. Councilmember Cook voiced her opinion that no amount of fees would compensate for Bolsa Chica land, however State and County financial situations led to the sale of a portion. She stated her intention to oppose the Recommended Action.

Councilmember Hardy inquired about the cost of the fire station relocation and Deputy City Administrator Emery reported a share-based estimate, based on population. Councilmember Hardy spoke regarding the development of park in-lieu fees and voiced her disappointment with the results of the negotiation in this area. She stated her intention to oppose the Recommended Action because, in her opinion, the City should receive more money.

Councilmember Hansen inquired how many times the City has tried to annex land in the last 33 years. Planning Director Howard Zelefsky reported on the Wintersburg Area, a Shea-Parkside piece, and a Holly-Seacliff piece. Councilmember Hansen asked how many votes were taken by Council addressing this topic in the past. Director Zelefsky reported hundreds of hours of discussions. Councilmember Hansen voiced his support for the Recommended Action, and emphasized the cost of indemnification from litigation.

A motion was made by Hansen, second Coerper to: **1)** Approve and authorize execution by the Mayor and City Clerk the Pre-Annexation Agreement between Signal Landmark and the City of Huntington Beach to be executed upon sale of the "lower bench" to the State of California; **2)** Adopt **Resolution No. 2005-78**, a Resolution of the City Council of the City of Huntington Beach Declaring a Surplus of Water Exists for Pre-Annexation Water Service to Certain Unincorporated Real Property Adjacent to the City Boundary and Within the City's Sphere of Influence; and **3)** Adopt **Resolution No. 2005-79**, a Resolution of the City Council of the City of Huntington Beach Approving the City's Application to the Orange County Local Area Formation Commission for an Out Of Service Area Agreement to Provide Pre-Annexation Services to Certain Unincorporated Real Property Adjacent to the City Boundary and Within the City's Sphere of Influence. (The motion was subsequently replaced by a substitute motion)

Mayor Sullivan inquired if Los Patos Avenue would be closed at Warner Avenue. Transportation Manager Bob Stachelski reported the plan to close Los Patos Avenue at Warner, and replace it with a substitute street allowing public access. Fire Chief Olson stated a need for either an emergency gate or discussion of ingress into the area in order to not cause delays in emergency responses. Mr. Mountford reported the west end of Los Patos Avenue would become a cul-de-sac, but would allow emergency access for safety personnel. He also reported on conflicting movements on Brightwater Drive and Los Patos, resulting in Brightwater Drive intersecting with Warner Avenue.

Mayor Sullivan asked for clarification on the sewer connection fees and library development fees. Library Director Ron Hayden reported on a previous agreement for pass-through fees from the County, and the need for updated information. Mayor Sullivan inquired if staff has a copy of an agreement between Hearthside Homes and Southern California Water Company and Deputy City Administrator Emery reported in the negative.

Councilmember Bohr stated his support for the Recommended Action with the following amendment: amend paragraph 3.53 on page F1.125 of the Staff Report to increase the Annexation Fee by \$1.5 million for a total of \$5,716,150.

Councilmember Hardy stated her support for the amendment, and asked for the developer's input. Mr. Mountford responded, stating his opinion that the negotiated agreement with staff is fair. He further stated opposition to an increase in the annexation fee.

Councilmember Cook inquired about the existence of a Southern California Water agreement. Mr. Mountford reported on the history of the project plans. He stated no contract exists with Southern California Water Company, however, a "right" for them to supply water does.

Mayor Pro Tem Coerper asked if Goldenstate Water Company would construct the pipeline if annexation fails. Mr. Mountford reported in the affirmative. Councilmember Cook voiced her opinion that the costs of pipeline construction are much higher than reported.

Mayor Sullivan clarified that Resolution 2005-78 does not state that there is surplus water in the City; it states that the City can support this housing development with water during the construction period.

Councilmember Green inquired of the City Attorney about costs of indemnification and exposure, to which City Attorney Jennifer McGrath stated potentially millions of dollars in exposure.

As the Maker of the motion, Councilmember Hansen declined the amendment that was suggested by Councilmember Bohr.

A **substitute** motion was made by Bohr, second Sullivan to approve the Recommended Action with an amendment to paragraph 3.53 on page F1.125 of the Staff Report to increase the Annexation Fee by \$1.5 million for a total of \$5,716,150. (See below for added direction to staff.) The motion carried by the following roll call vote:

AYES:	Bohr, Sullivan, Hardy, Cook
NOES:	Green, Coerper, Hansen
ABSENT:	None

City Clerk Joan L. Flynn announced a typographical error on agenda and corrected the Resolution number to 2005-79.

City Administrator Culbreth-Graft requested more specific staff direction.

Councilmember Bohr clarified that the motion should include the following staff direction: the increase in annexation fee should be paid \$750,000 up front and \$750,000 (net present value) upon development of the units, divided by 349 units.

(City Council) Councilmember Green Congratulated Derek Gruland on Eagle Scout Project and Announced Public Works Award (120.85)

Councilmember Cathy Green congratulated Derek Gruland on his Eagle Scout project at the Senior Center. She also announced the City has received a Public Works Award for the Sports Complex project.

(City Council) Mayor Pro Tem Coerper Announced Attendance at Firefighters Graduation (120.85)

Mayor Pro Tem Gil Coerper announced he had recently attended the Firefighters Graduation.

(City Council) Councilmember Hansen Attendance with Other Councilmembers at Kabuki Grand Opening (120.85)

Councilmember Don Hansen announced that he, Councilmember Green and Mayor Pro Tem Coerper attended the Grand Opening of Kabuki restaurant at Bella Terra.

Adjournment – City Council/Redevelopment Agency

Mayor Sullivan adjourned the regular meetings of the City Council/Redevelopment Agency of the City of Huntington Beach at 7:48 p.m. to Monday, December 19, 2005, at 5:00 p.m., in Council Chambers, Civic Center, 2000 Main Street Huntington Beach, California.

City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach and Clerk of the Redevelopment Agency of the City of Huntington Beach, California

ATTEST:

City Clerk-Clerk

Mayor-Chair